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The role of diamonds in fuelling conflict**Note verbale dated 6 December 2016 from the Permanent Mission of the United Arab Emirates to the United Nations addressed to the Secretary-General**

The Permanent Mission of the United Arab Emirates to the United Nations presents its compliments to the Secretary-General of the United Nations and, pursuant to paragraph 28 of General Assembly resolution 70/252, entitled "The role of diamonds in fuelling conflict: breaking the link between the illicit transaction of rough diamonds and armed conflict as a contribution to prevention and settlement of conflicts", is pleased to transmit, on behalf of the Chair of the Kimberley Process, the 2016 Kimberley Process report and the final communiqué of the Kimberly Process plenary meeting held in Dubai, United Arab Emirates, from 13 to 17 November 2016 (see annex and enclosure).

The Permanent Mission of the United Arab Emirates would be grateful if the present note verbale and its annex could be circulated as a document of the General Assembly, under agenda item 30.



**Annex to the note verbale dated 6 December 2016 from the
Permanent Mission of the United Arab Emirates to the
United Nations addressed to the Secretary-General**

**Report of the Kimberley Process Certification Scheme to the
General Assembly for 2016**

Submitted by the United Arab Emirates, Chair of the Kimberley Process
for 2016

Introduction

1. The fourteenth Kimberley Process plenary meeting was held from 13 to 17 November 2016 in Dubai, United Arab Emirates.

Africa Initiative

2. At the beginning of 2016, the Kimberley Process Chair adopted a hands-on approach to assisting diamond-producing countries in need, particularly in Africa.

3. During the year, the Chair visited Armenia, Angola, Belgium, Botswana, Burkina Faso, Burundi, the Central African Republic, the Democratic Republic of the Congo, Ghana, India, Japan, Lesotho, Mozambique, Namibia, the Republic of Korea, the Russian Federation, Rwanda, South Africa, Turkey, Uganda, Venezuela (Bolivarian Republic of), Zimbabwe and Hong Kong, China, focusing not only on the existing member countries or territories of the Kimberley Process, but also on those which might join the organization.

4. The plenary expressed its great appreciation for the active leadership by the United Arab Emirates Chair of the Kimberley Process, including through frequent travel, raising public awareness of the Process, demonstrating leadership on the Central African Republic and putting forth innovative proposals to strengthen the Process.

Rotation of working groups

5. The Committee on Participation and Chairmanship, the Committee on Rules and Procedures, the Working Group on Monitoring, the Working Group on Statistics, the Working Group on Artisanal and Alluvial Production, the Working Group of Diamond Experts and the monitoring team on the Central African Republic held meetings during the Kimberley Process plenary.

6. According to the decision on three-year rotation of the Chairs of the Working Groups, the plenary adopted the following changes:

(a) Namibia became the Vice-Chair of the Working Group of Diamond Experts;

(b) China became the Vice-Chair of the Committee on Rules and Procedures;

(c) The European Union would hand over its role and duties to South Africa as the incoming Chair of the Working Group on Monitoring within a period of three months from January 2017, to ensure a smooth and seamless transition;

(d) Botswana became the Vice-Chair of the Working Group on Monitoring;

(e) India became the Vice-Chair of the Working Group on Statistics;

(f) The plenary approved the Democratic Republic of the Congo as the Vice-Chair of the Working Group on Artisanal and Alluvial Production in 2017 and the Chair in 2018.

7. The United Arab Emirates also became the Chair of the Committee on Participation and Chairmanship after being a Chair of the Kimberley Process in 2016.

Working Group of Diamond Experts

8. The Working Group of Diamond Experts and its scientific subgroup conducted extensive research on improvements of the footprint of diamonds from the Central African Republic. Export shipment data from the compliant zone of the sub-prefecture of Berberati (May, July and September) were scrutinized and added to the production footprint of that country.

9. The Working Group of Diamond Experts subgroup on valuation continued its work on mapping country approaches to the valuation of rough diamonds to provide comprehensive reference for all Kimberley Process members.

10. The subgroup on valuation furthered the ongoing work in collecting responses to the valuation survey by participants, and noted that about 20 Kimberley Process participants had not yet completed their surveys. The plenary took note of the December 2016 deadline for completing the survey. The subgroup also updated its action plan.

11. The plenary requested the Working Group of Diamond Experts subgroup on valuation to invite the Organization for Economic Cooperation and Development (OECD) to collaborate with the Kimberley Process to take the work forward, consistent with rules and procedures.

Valuation of rough diamonds

12. On the basis of the initial work of the Working Group of Diamond Experts subgroup on valuation, the plenary recognized the efforts of and took note of the proposals made by the Chair to develop a uniform methodology on the valuation of rough diamonds.

13. Throughout 2016, the topic of valuation of rough diamonds has been the subject of much debate among stakeholders in the diamond industry.

14. Delegates at dedicated forums on that topic agreed that it was vital for the future of diamond-producing countries to better manage their resources, and to

improve the living conditions of industry workers and miners, especially those in the artisanal- and alluvial-diamond-producing nations of Africa.

15. Under the Kimberley Process umbrella, both the 2012 Washington Declaration on Integrating Development of Artisanal and Small-Scale Diamond Mining with Kimberley Process Implementation and the 2005 Moscow Declaration on Improving Internal Controls over Alluvial Diamond Production, initial attempts were made to tackle the valuation of rough diamonds. These declarations were outlined as policy goals and recommendations, but fell short of actionable steps for the industry.

16. In that regard, the Chair organized, on the margins of the Kimberley Process meetings, three workshops intended to leverage the expertise and knowledge of industry players and channel them towards establishing best practices for the valuation of rough diamonds.

17. The first special forum was held in collaboration with OECD. Industry players from throughout the diamond pipeline, including institutions, civil society, experts and miners, were invited to attend.

18. The Forum was called upon to clarify the process of valuation of rough diamonds. The initiative was aimed at reinforcing and strengthening the debate, while agreeing on a consensus for universal conformity. The special forum was also aimed at developing a set of best practice principles to help level the playing field for import and export diamond centres.

19. In association with the Antwerp World Diamond Centre, a second special forum of the Chair was organized in Antwerp, Belgium, focusing on valuation practices employed by the global diamond industry. The three pillars of the Kimberley Process were invited: government, industry and civil society. Representatives from mining companies, auction and tender experts, professional diamond valuers, polished-price index specialists and OECD also took part in the discussion.

20. The format was an "expert workshop", an open dialogue to examine other methods being used that will eventually be developed into a more formalized approach to the valuation of rough diamonds.

21. The Chair hosted the third and final special forum, continuing the discussions and moving forward on the progress already made during such a short period. That forum was held on 13 November 2016, with the intention of reaching a consensus around a generic set of criteria identified during the first two special forums.

22. The plenary noted that, according to the Chair and some participants of the special forums, such a methodology might comprise several elements to be used by Kimberley Process participants, including using standardized preparation and sorting protocols for rough diamonds in preparation for valuation, drawing on contemporary transacted prices for comparable rough diamonds as much as possible and, where this was not possible, potentially developing a methodology based on deriving the value of rough diamonds from contemporary transactions that was transparent in its approach and objective and that drew upon industry practices.

Committee on Participation and Chairmanship: Venezuela (Bolivarian Republic of) and Gabon

23. After the self-suspension of the Bolivarian Republic of Venezuela from the Kimberley Process in June 2008, the Process successfully conducted a first review mission in April 2016 to examine that country's compliance with the minimal requirements of the Kimberley Process Certification Scheme, as the country claimed that it had finished implementing all the necessary changes and was ready to be readmitted. The review mission team adopted a positive report, which was discussed during the intersessional meeting.

24. In November, the plenary adopted a decision on the full participation of the Bolivarian Republic of Venezuela in the Kimberley Process, including resumption of trading in rough diamonds starting on 17 November 2016. The Bolivarian Republic of Venezuela committed to hosting a review visit no later than six months after the resumption of exports.

25. Progress was also achieved on the admission Gabon as a member of the Kimberley Process. The plenary encouraged that country to invite an expert mission before the 2017 intersessional meeting in order to begin its admission process.

Working Group on Monitoring

26. The Working Group on Monitoring provided an update on the state of implementation of its rolling work programme for 2016, which included both recurrent activities designed to implement the revised administrative decision on the Kimberley Process Certification Scheme peer review system and actions to follow up on relevant conclusions from the 2015 plenary that had been held in Luanda.

27. The plenary took note of the results of the 2016 annual reporting exercise, as the main comprehensive and regular source of information on implementation of the Kimberley Process Certification Scheme by participants, and welcomed the submission of annual reports on implementation of the Scheme in 2015 by 52 participants representing 79 countries. The Working Group on Monitoring requested the Committee on Participation and Chairmanship to deal with the one case of late submission (Panama). The plenary reviewed the assessment of annual reports and encouraged participants to continue submitting substantive annual reports on national implementation of the Scheme.

28. The plenary took note of reports on the review visits conducted in Armenia, Belarus, the Congo, Lesotho and the United Republic of Tanzania, and invited those five participants to report back on implementation of the recommendations at the next intersessional meeting, in line with the revised administrative decision on the peer review system. The plenary also took note of reports on the preliminary findings and observations on the review visits conducted in the Central African Republic, Côte d'Ivoire, the Democratic Republic of the Congo, Sierra Leone, Turkey, the United Arab Emirates and the European Union, and requested the respective review visit and review mission teams to finalize their reports before the end of the year.

29. The plenary took note of the continued discussions by the Working Group on Monitoring on the guidance note on the organization and the conduct of review visits, as prepared on the basis of contributions and best practice examples shared by a number of members of the Working Group who had served as team leaders of review visits. The plenary considered the new guidance note an important practical tool enabling both review visit team members and host participants to prepare optimally for the successful conduct of review visits, and invited the Working Group to explore ways in which those guidelines could be reflected in future revisions to the administrative decision on the peer review system.

Central African Republic

30. On 18 March, the Kimberley Process Central African Republic monitoring team endorsed the report on its field mission to Berberati from 1 to 4 March 2016 and validated the proposal from the follow-up committee to designate the Berberati sub-prefecture as a "compliant zone", as per the requirements of the administrative decision on an operational framework for the resumption of exports of rough diamonds from that country.

31. As a result of the progress achieved in March, at the request of the Chair of the Working Group on Monitoring, the United Arab Emirates agreed to lead the Central African Republic monitoring team.

32. The plenary acknowledged the progress made by the Central African Republic with regard to implementation of the administrative decision and the operational framework for the resumption of exports of rough diamonds from that country, and welcomed the decisions of the Kimberley Process monitoring team to declare the sub-prefectures of Berberati, Boda, Carnot and Nola "compliant zones". The plenary encouraged the Kimberley Process authorities of the Central African Republic to continue implementing both the administrative decision and the recommendations from the report of the Process monitoring team on its field missions to Berberati, Boda, Carnot, Gadzi and Nola in March and August 2016, and to continue implementing enhanced vigilance measures and ensure the traceability of rough diamonds from all four "compliant zones". The plenary invited the Process monitoring team to continue ensuring a smooth inspection process regarding proposed export shipments as per its term of reference, and to further support the Process authorities of the Central African Republic in carrying out the envisaged forensic audit of the stockpiles.

33. The plenary took note of a recommendation from the Panel of Experts on the Central African Republic established by the Security Council in its resolution 2127 (2013), whose mandate had been extended by the Council in its resolution 2262 (2016), to the tripartite follow-up committee of the Central African Republic and the Kimberley Process monitoring team to ensure continued monitoring of the freedom of movement in all compliant zones, consistent with proposed benchmarks.

34. The plenary noted that the representative of the Working Group of Diamond Experts on the Central African Republic monitoring team had briefed Working Group members on the work of the monitoring team over the past months. With regard to the role of the Working Group in the monitoring team, four proposed shipments had been assessed by the diamond expert team. Three of those shipments

had been approved for export. The plenary noted that the Working Group had decided to form a second diamond expert team to account for an expected increase in exports from compliant zones in the Central African Republic.

35. The plenary noted that the Central African Republic monitoring team had agreed on terms of reference intended to facilitate a forensic audit of the pre- and post-suspension stockpiles of rough diamonds in the Central African Republic, as foreseen in the operational framework of the 2015 administrative decision on that country.

36. In that context, the plenary welcomed the resumption of the development assistance project of the United States of America in the Central African Republic, with a view to enhancing the capacity of that country and assisting it with the implementation of the administrative decision and operational framework for the resumption of exports of rough diamonds, and encouraged other participants and observers to consider providing complementary technical assistance.

37. The plenary welcomed the initiative taken by the Central African Republic and its neighbouring Kimberley Process participants (Cameroon, the Congo and the Democratic Republic of the Congo) to ensure cooperation on Kimberley Process Certification Scheme compliance issues with a regional dimension, and encouraged the Central African Republic and the Process monitoring team to continue working closely together with relevant United Nations actors, notably the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic and the Panel of Experts on the Central African Republic, as well as the international community.

Permanent secretariat

38. During the year, the Chair faced a concern related to some structural shortcomings within the existing Kimberley Process framework that need to be addressed in order to make the process more robust.

39. The work carried out by members of the working groups has been vital in giving the Kimberley Process the international standing it has today, and the efforts of the Administrative Support Mechanism in enhancing engagement and communication have been equally essential in putting the foundation in place for the initiative. Nonetheless, despite successes in these areas, there needs to be a permanent structure in place to drive the process forward.

40. One of the primary issues involves the process for the re-entry of countries into the organization. The Kimberley Process has always been instrumental in stemming the flow of conflict diamonds globally; over the past decade, sanctions have been effective in places where mining conditions have been found to be non-compliant. However, once countries resolve these issues and return to the path of normalization, re-entry into the Process is a long and complex process, as the right structural and institutional framework is not in place. This has been witnessed first-hand by the working groups from the experience with the Central African Republic.

41. To address this deficit, the Kimberley Process is in dire need of a well-structured permanent body to take over the work that today is done by many hard-

working volunteers who also have regular jobs. As a result of the discussions, the plenary welcomed a proposal received from the Chair aimed at strengthening the structure of the Process through the establishment of a Kimberley Process secretariat. Such a secretariat could support the continuity and efficiency of the Process. The plenary decided that the upcoming review cycle provided an opportunity to discuss means of improving the Process. The proposal stated that such a secretariat could potentially help facilitate the progress of the Process in advancing its goals and objectives and, among other possibilities, for example, serve as a sustained presence maintaining contacts in countries of concern, support the Chair in interactions with government officials and other stakeholders, and assist the Process with regard to participants who had been suspended and were resuming participation in the Process. In that regard, the plenary looked forward to possible future ways to enhance cooperation with the United Nations system.

Working Group on Statistics

42. The plenary noted the request of the Working Group on Statistics that the Committee on Participation and Chairmanship take action consistent with the November 2005 guidelines with respect to the non-submission of statistics. That approach included measures concerning participants who failed to submit their statistical reports consistent with annex III to the Kimberley Process Certification Scheme document.

43. The plenary noted the adoption by the Working Group on Statistics of a template for automated charts and tables that members of the Working Group intended to use in the preparation of the annual statistical analyses. The automation of the reports was expected to reduce the amount of time members spent on the development of the annual statistical analyses and to reduce the burden on members in preparing them.

44. The plenary noted that the Working Group on Statistics had initiated a fourth iteration of the annual data anomaly questionnaire process, which was used to identify anomalies and discrepancies in reported Kimberley Process statistics.

Blockchain technology

45. The Kimberley Process Chair announced an initiative on the possibility of introducing blockchain technology to support the efforts of the Process community in combating any potential fraudulent activity and to reduce transactional costs while increasing security measures.

46. Currently, each participating Kimberley Process country has its own method for issuing certificates and storing the resulting information. A blockchain-backed database could provide a secure way to issue and record certificates, preventing the counterfeiting of certificates, creating a more extensive data network and possibly even providing a clearer window into the international movement of diamonds. Accordingly, the technology could eventually eliminate the need for physical Process certificates.

47. The Chair examined the benefits of blockchain technology and presented the results of the research at the opening of the plenary meeting in Dubai, United Arab Emirates, on 14 November. The Chair proposed that the Kimberley Process start using blockchain technology to track import and export statistics under the umbrella of the Working Group on Statistics by creating a system with 54 participants, in which every country would be able to upload secure data on every export shipment based on the Process certificate.

48. Taking into consideration the complexity of the topic, the plenary noted the presentation given by the Chair's office to the Working Group on Statistics on blockchain technology within the Kimberley Process. The Working Group welcomed further discussions on the study of blockchain technology within the framework of the Kimberley Process Certification Scheme.

Mano River Union

49. Further steps have been taken by the Mano River Union Countries (Côte d'Ivoire, Guinea, Liberia and Sierra Leone) to implement the regional approach initiative as highlighted by the Security Council in its resolution 2153 (2014), in which it lifted the embargo on the export of rough diamonds from Côte d'Ivoire.

50. The plenary welcomed the continuous support to the Mano River Union countries provided by the Working Group on Monitoring technical team and the Friends of the Mano River Union group, in particular ongoing efforts to formalize the role of the Mano River Union secretariat and involve other implementing partners and/or technical assistance providers.

51. The plenary also took note of an update provided by the property rights and artisanal diamond development project, co-funded by the United States and the European Union, and a presentation made by the European Union on their ongoing and planned development assistance in support of the Mano River Union regional approach. The plenary encouraged all participants and observers to continue working closely with the Mano River Union countries and continue addressing their technical assistance needs.

Working Group on Artisanal and Alluvial Production

52. The plenary noted and endorsed the concerns identified by Working Group on Artisanal and Alluvial Production participants over the lack of geological surveys in their respective countries. Such studies would help determine areas viable for artisanal mining, the expected volume of production and the expected number of years that the diamond deposits would last. Working Group participants called upon other Kimberley Process participants and potential donors to provide the technical assistance necessary for geological surveys. The plenary noted that Working Group participants supported the development of policies related to data management in their respective countries.

53. The plenary noted that participants of the Working Group on Artisanal and Alluvial Production continued engaging to align and integrate, within their national and regional development action plans regarding the mining sector, the effective

implementation of the recommendations contained in the Moscow Declaration on Improving Internal Controls over Alluvial Diamond Production and the Washington Declaration on Integrating Development of Artisanal and Small-Scale Diamond Mining with Kimberley Process Implementation.

54. The plenary acknowledged the effort made by the African countries of the Mano River Union and other initiatives and agencies, as well as the Diamond Development Initiative, the United States and the European Union, to provide the capacity and resources necessary to effectively drive the implementation of the Moscow and Washington Declarations.

Committee on Rules and Procedures

55. The plenary noted the approval of the Committee on Rules and Procedures of a version of the Kimberley Process Certification Scheme core document that reflected the changes to the core document approved in Johannesburg, South Africa, in 2013 under decision 1/2013, on modification of the core document of the Certification Scheme. Under that decision, the changes applied as at 1 January 2015.

56. The plenary asked the Administrative Support Mechanism to publish the revised core document on the official Kimberley Process website for informational purposes.

57. The plenary noted the decision of the Committee on Rules and Procedures to continue work on a document entitled "Practical Kimberley Process guidance: how to conduct surveys of Kimberley Process participants and observers".

Strengthening civil society participation

58. Since the inception of the Kimberley Process, non-governmental organizations (NGOs) have been at the forefront of fighting against illicit trafficking and trade in conflict diamonds. However, when it comes to participating in Process meetings or review missions, their involvement is far less than that of industry players, which is driven primarily by funding reasons. For example, for intersessional or plenary meetings, industry representatives usually send an average of 25 participants, but only 2 or 3 from civil society attend.

59. Since a balanced representation of these NGOs is vital to the success of an initiative such as the Kimberley Process for the sake of transparency and sustainability, it is essential that this issue be addressed. The diamond industry, which is one of the pillars of the Process, could take greater responsibility in this regard and could support the creation of a fund that would allow African NGOs to participate on an equal footing in all the meetings and events of the Process.

60. Noting that the Civil Society Coalition had decided not to attend the Kimberley Process meetings, owing to a number of concerns, the plenary expressed its desire for broad participation of the Coalition in the future. In that regard, the plenary agreed to further discuss the establishment of a multi-donor trust fund or similar mechanism that was acceptable to all participants and observers.

Other business

61. In addition to the delegations from the participants and observers of the Kimberley Process, the following delegates attended the meeting in the capacity of the guests of the Chair:

(a) Panel of Experts on the Central African Republic: Ruben De Koning, Expert (Natural Resources); and Simon Pascal Alain Handy, Political Affairs Officer, United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic;

(b) Organization for Economic Cooperation and Development: Tyler Gillard, Legal Adviser and Project Head, Investment Division; and Dan Devlin, Senior Economist, Natural Resource Taxation;

(c) Placide Ngombe, President of the Organisation Centrafricaine pour le Développement Durable;

(d) Regina Toguera, President of Mines, Arts et Ressources Centrafricaines and member of the Kimberley Process follow-up committee of the Central African Republic in Berberati;

(e) Ruth Laoubal, Head of Programmes and Projects at the Association des Femmes Centrafricaines pour le Développement Durable;

(f) Oladiran Bello, Executive Director of Good Governance Africa.

62. The plenary welcomed the decision of the Working Group on Monitoring to accept the Diamond Development Initiative as a Working Group member, consistent with the group's revised terms of reference.

63. The plenary took note of the annual report as presented by the World Diamond Council on its activities in support of implementation of the Kimberley Process Certification Scheme and encouraged the Civil Society Coalition, the African Diamond Producers Association and the Diamond Development Initiative to also submit reports on their activities in support of implementation of the Scheme, in line with the 2009 administrative decision on the activities of observers.

64. The Kimberley Process Chair invited the Financial Action Task Force to participate in the intersessional and plenary meetings and the special forums; however, none of the representatives of that organization attended any of the events.

65. Nevertheless, according to the practice followed in previous years, the plenary agreed to engage with the Task Force by inviting the Kimberley Process working bodies to organize a discussion with the authors of their report related to risks associated with the supply chain of rough diamonds.

66. The plenary noted clause 10 of the administrative decision rules and criteria for selecting candidates for Vice-Chair of the Kimberley Process. The plenary welcomed the European Union as the new Kimberley Process Vice-Chair for 2017 and the Chair in 2018, and India as the incoming Vice-Chair for 2018 and the Chair in 2019.

67. The plenary welcomed Australia as the new Chair for 2017. The plenary recalled that host countries should facilitate entry formalities for those attending meetings of the Kimberley Process Certification Scheme. The plenary acknowledged that State sovereignty should be fully respected.

Enclosure

2016 Kimberley Process final communiqué

1. The fourteenth Kimberley Process plenary meeting was held from 13 to 17 November 2016 in Dubai, United Arab Emirates. In addition to the delegations from the Process, participants and observers, representatives of the Panel of Experts on the Central African Republic and the Organization for Economic Cooperation and Development (OECD) attended as guests of the Chair.
2. The Committee on Participation and Chairmanship, the Committee on Rules and Procedures, the Working Group on Monitoring, the Working Group on Statistics, the Working Group on Artisanal and Alluvial Production, the Working Group of Diamond Experts and the monitoring team on the Central African Republic held meetings.
3. The plenary expressed its great appreciation for the Chair's active leadership of the Process, including through frequent travel, raising public awareness of the Process, demonstrating leadership on the Central African Republic and putting forth innovative proposals to strengthen the Process.
4. The plenary thanked the Chair for organizing the special forum on the margins of the Kimberley Process meetings, as an informational session on synthetic diamonds and the issue of undisclosed synthetic diamonds.
5. The plenary recognized the efforts of and took note of the proposals made by the Chair to (a) develop a methodology on the valuation of rough diamonds, (b) establish a permanent secretariat for the Kimberley Process and (c) establish a Civil Society Coalition fund. The plenary looked forward to continued discussion of those proposals under the incoming Chair.
6. The plenary welcomed a proposal received from the Chair and aimed at strengthening the structure of the Process through the establishment of a Kimberley Process secretariat. Such a secretariat could support the continuity and efficiency of the Process. The plenary decided that the upcoming review cycle provided an opportunity to discuss means of improving the Process. The proposal stated that such a secretariat could potentially help facilitate progress in advancing the goals and objectives of the Process and, among other possibilities, for example, serve as a sustained presence maintaining contacts in countries of concern, support the Chair in interactions with government officials and other stakeholders, and assist the Process with regard to participants who had been suspended and were resuming participation in the Process. In that regard, the plenary looked forward to possible future ways to enhance cooperation with the United Nations system.
7. The plenary reaffirmed its commitment to the tripartite structure of the Process. Noting that the Civil Society Coalition had decided not to attend Process meetings in 2016 owing to a number of concerns, the plenary expressed its desire for broad participation by the Coalition in the future.
8. The plenary recognized the important work that civil society performed and expressed the intention to consider ways to support its robust participation. To that

end, the Process acknowledged the Chair's proposal to establish a multi-donor trust fund or similar mechanism acceptable to all participants and observers.

9. The plenary noted the progress made with regard to better understanding the challenges faced by some Process members in ensuring that their rough diamonds were valued appropriately. Undervaluation or overvaluation undermined the accuracy of the information on Process certificates.

10. The plenary expressed appreciation for the special forums on valuation hosted by the Chair, which had brought together a wide range of experts. The plenary took note of the draft study prepared by OECD on the challenges faced by some producing countries in valuation of rough diamonds, which might support those producing countries in their efforts to improve domestic resource mobilization from diamond production.

11. The plenary also thanked the Working Group of Diamond Experts subgroup on valuation for its work on mapping country approaches to valuation of rough diamonds, which provided a comprehensive reference for all Process members.

12. The plenary noted that ensuring that artisanal miners received fair value for their stones was a distinct but closely related issue that required attention in its own right. Any further work to improve valuation practices should be accessible and should also be designed to benefit artisanal miners.

13. The plenary noted that, for those countries seeking greater confidence that their rough diamonds were being valued accurately, a consistent methodology, building on comprehensive training and technical assistance for government officials, would be beneficial.

14. The plenary noted that, according to the Chair and some participants of the special forums, such a methodology might comprise several elements to be used by Process participants, including using standardized preparation and sorting protocols for rough diamonds in preparation for valuation, drawing on contemporary transacted prices for comparable rough diamonds as much as possible and, where that was not possible, potentially developing a methodology based on deriving the value of rough diamonds from contemporary transactions that was transparent in approach and objective, and that drew upon industry practices. The World Diamond Council, as an observer, reiterated that all current and future discussions must observe competition and antitrust law.

15. The plenary acknowledged that the following representatives of civil society organizations had attended the plenary meeting as guests of the Chair:

- Placide Ngombe, President of the Organisation Centrafricaine pour le Développement Durable
- Regina Toguera, President of Mines Arts et Ressources Centrafricaines and a member of the Kimberley Process follow-up committee of the Central African Republic in Berberati
- Ruth Laoubai, Head of Programmes and Projects at the Association des Femmes Centrafricaines pour le Développement Durable
- Oladiran Bello, Executive Director of Good Governance Africa.

16. The plenary noted the continued work of the scientific subgroup of the Working Group of Diamond Experts to improve the footprint of diamonds from the Central African Republic. Export shipment data for three months (May, July and September) had been scrutinized and added to the production footprint of that country. Those shipments had come from the compliant zone of the sub-prefecture of Berbérati.

17. The plenary noted that, in order to improve the work on fingerprinting of diamonds from the Central African Republic (and Africa in general), the scientific subgroup had discussed the acquisition of a small representative parcel (minimum of 150 stones) from the extreme northern production zone of the Democratic Republic of the Congo bordering the Central African Republic, in conjunction with the Kimberley Process authorities of the Democratic Republic of the Congo. The aim of that exercise would be to scientifically differentiate between diamonds from the two countries.

18. Furthermore, the Working Group of Diamond Experts scientific subgroup had received a presentation by a scientific private company from the Russian Federation, on the application of fluorescent spectroscopy to analysing a diamond's individual fingerprint.

19. The plenary took note of the ongoing work of the Working Group of Diamond Experts subgroup on valuation in collecting responses to the valuation survey by participants, and that about 20 Kimberley Process participants had not yet completed their surveys. The plenary took note of the December 2016 deadline for completing the survey.

20. The Working Group of Diamond Experts subgroup on valuation intended to continue its work, consistent with its updated action plan. The plenary took note of discussions in the subgroup on valuation on the outcome and conclusions of the special forums of the Chair on valuation that had been held on the margins of the intersessional meetings in May in the United Arab Emirates, and in September in Antwerp, Belgium, and the current plenary in the United Arab Emirates. Additionally, the subgroup reported on the OECD consultation draft of observational details of the above-mentioned special forums of the Chair. On that basis, the plenary requested that the subgroup on valuation invite OECD to collaborate with the Kimberley Process to take that work forward, consistent with rules and procedures.

21. The plenary noted that, to continue and to expand the activities of the subgroup on valuation, the Working Group of Diamond Experts had revised its terms of reference and the 2015 action plan.

22. The plenary noted that the Working Group of Diamond Experts was finalizing a proposed revised administrative decision detailing the use of technical certificates for scientific purposes to replace administrative decision 01/13 regarding embargoed diamonds from Côte d'Ivoire.

23. The plenary noted the discussion in the Working Group of Diamond Experts on reviving the relationship between the Kimberley Process and the World Customs Organization and the subsequent work on reviewing harmonized system code-related classification issues.

24. The plenary noted the intention of the Working Group of Diamond Experts to update technical guidelines that were still applicable and other, older guidance texts to be addressed in the upcoming review process.
25. The plenary noted that the Working Group of Diamond Experts had provided an update to its members regarding the results of a survey of Kimberley Process participants on the disposition of confiscated rough diamonds.
26. The plenary endorsed the recommendation of the Working Group of Diamond Experts that the United Republic of Tanzania, a provisional member of the Working Group since 2015, become a member in the Working Group.
27. The plenary endorsed the recommendation of the Working Group of Diamond Experts to select the World Diamond Council as Chair and Namibia as the Vice-Chair of the Working Group.
28. The plenary noted that Mozambique had received an expert mission and that the draft report should be finished by the first quarter of 2017.
29. The plenary noted the approval by the Committee on Rules and Procedures of a version of the Kimberley Process Certification Scheme core document that reflected the changes to the core document approved in Johannesburg, South Africa, in 2013 under decision 1/2013, on modification of the core document of the Certification Scheme. Under that decision, the changes applied as at 1 January 2015. The plenary asked the Administrative Support Mechanism to publish it on the official Process website for informational purposes.
30. The plenary noted the decision of the Committee on Rules and Procedures to continue work on a document entitled "Practical Kimberley Process guidance: how to conduct surveys of Kimberley Process participants and observers".
31. The plenary noted the work of the Committee on Rules and Procedures concerning the engagement of the Kimberley Process with external organizations and the Committee's expectation that there would be further discussions on that issue.
32. The plenary encouraged the Committee to consider updating the administrative decision relating to the chairmanship of Kimberley Process working bodies.
33. The plenary noted that the Committee on Rules and Procedures was continuing discussions on the selection of the Committee Chair.
34. The plenary welcomed China as Vice-Chair of the Committee.
35. The plenary welcomed the resumption of participation in the Kimberley Process by the Bolivarian Republic of Venezuela.
36. The Bolivarian Republic of Venezuela had committed to hosting a review visit no later than six months after the resumption of exports, in which Ukraine would be invited to participate. In that regard, the plenary noted the express commitment and interest of the Bolivarian Republic of Venezuela with regard to hosting a review visit and welcomed the participation of Ukraine in the review visit.
37. The plenary acknowledged the presentation in the Committee on Participation and Chairmanship on the implementation of the Kimberley Process Certification Scheme in Gabon. The plenary encouraged Gabon to invite an expert mission before

the 2017 intersessional meeting in order to begin its process of admission to the Process.

38. The plenary approved the United Arab Emirates becoming the Chair of the Committee on Participation and Chairmanship.

39. The plenary noted the application of the World Jewellery Confederation for observer status, which had been discussed during the meeting of the Committee on Participation and Chairmanship. Currently, it had been concluded that the admission of the Confederation as an independent observer would not be accepted.

40. The plenary welcomed the update provided by the Working Group on Monitoring on the state of implementation of its rolling work programme for 2016, which included both recurrent activities designed to implement the revised administrative decision on the Kimberley Process Certification Scheme peer review system and actions to follow up on relevant conclusions from the 2015 plenary that had been held in Luanda under the chairmanship of Angola.

41. The plenary welcomed the decision of the Working Group on Monitoring to select South Africa as its incoming Chair and Botswana as its incoming Vice-Chair. In that context, the plenary acknowledged the leadership shown by the European Union in effectively chairing the Working Group over the past 13 years and supported the decision of the Working Group that the European Union, as its outgoing Chair, would hand over its role and duties to South Africa as the incoming Chair within a period of three months from January 2017, to ensure a smooth and seamless transition.

42. The plenary welcomed the decision of the Working Group on Monitoring to accept the Diamond Development Initiative as a member, consistent with the Working Group's revised terms of reference.

43. The plenary took note of the results of the 2016 annual reporting exercise, as the main comprehensive and regular source of information on implementation of the Kimberley Process Certification Scheme by participants, and welcomed the submission of annual reports on implementation of the Scheme in 2015 by 52 participants representing 79 countries. The plenary noted that the Working Group on Monitoring had requested the Committee on Participation and Chairmanship to deal with the one case of late submission (Panama). The plenary had reviewed the assessment of annual reports and encouraged participants to continue submitting substantive annual reports on national implementation of the Scheme.

44. The plenary took note of the annual report as presented by the World Diamond Council on its activities in support of implementation of the Kimberley Process Certification Scheme and encouraged the Civil Society Coalition, the African Diamond Producers Association and the Diamond Development Initiative to submit reports on their activities in support of implementation of the Scheme as well, in line with the 2009 administrative decision on the activities of observers.

45. The plenary took note of reports on the review visits conducted in Armenia, Belarus, the Congo, Lesotho and the United Republic of Tanzania, and invited those five participants to report back on implementation of the recommendations at the next intersessional meeting, in line with the revised administrative decision on a peer review system. The plenary also took note of reports on the preliminary

findings and observations on the review visits conducted in the Central African Republic, Côte d'Ivoire, the Democratic Republic of the Congo, Sierra Leone, Turkey, the United Arab Emirates and the European Union, and requested the respective review visit and review mission teams to finalize their reports before the end of the year.

46. Furthermore, the plenary took note of implementation of the recommendations from review visit reports by Mexico and Swaziland, and requested those two participants to reflect that follow-up in their next annual reports.

47. The plenary welcomed the expressions of interest in hosting a review visit from Botswana, Brazil, Cameroon, Ghana, India, the Lao People's Democratic Republic, Mauritius, Namibia, Norway, Panama and Togo. The plenary welcomed the commitment made by those countries to continually open their certification systems to review and improvements, and called upon other participants to continue inviting review visits under the Kimberley Process peer review system.

48. The plenary took note of the continued discussions by the Working Group on Monitoring on the guidance note on the organization and conduct of review visits, as prepared on the basis of contributions and best practice examples shared by a number of members of the Working Group who had served as team leaders of review visits. The plenary considered the new guidance note an important practical tool enabling both review visit team members and host participants to prepare optimally for the successful conduct of review visits, and invited the Working Group to explore ways in which those guidelines could be reflected in future revisions to the administrative decision on the peer review system.

49. The plenary welcomed a proposal from the Working Group on Monitoring to encourage Kimberley Process participants to reinforce its follow-up with Process authorities and explore ways to enhance access to information as regards fraudulent Process certificates through a dedicated area on the Process website.

50. The plenary acknowledged the progress made by the Central African Republic with regard to implementation of the administrative decision and operational framework for the resumption of exports of rough diamonds from that country, and welcomed the decisions of the Kimberley Process monitoring team to declare the sub-prefectures of Berberati, Boda, Carnot and Nola "compliant zones". The plenary encouraged the Process authorities of the Central African Republic to continue implementing both the administrative decision and the recommendations from the report of the Process monitoring team on its field missions to Berberati, Boda, Carnot, Gadzi and Nola in March and August 2016, and to continue implementing enhanced vigilance measures and ensure the traceability of rough diamonds from all four "compliant zones". The plenary invited the Process monitoring team to continue ensuring a smooth inspection process as regards proposed export shipments as per its term of reference, and further support the Process authorities of the Central African Republic in carrying out the envisaged forensic audit of the stockpiles. The plenary took note of a recommendation from the Panel of Experts on the Central African Republic established by the Security Council in its resolution 2127 (2013), whose mandate had been extended by the Council in its resolution 2262 (2016), to the tripartite follow-up committee of the Central African Republic and the Process monitoring team to ensure continued monitoring of the freedom of movement in all compliant zones, consistent with proposed benchmarks.

51. The plenary noted that the Working Group of Diamond Experts representative on the Central African Republic monitoring team had briefed working group members on the monitoring team's work over the past months. With regard to the role of the Working Group of Diamond Experts in the monitoring team, four proposed shipments had been assessed by the diamond expert team. Three of those shipments had been approved for export. The plenary noted that the Working Group had decided to form a second diamond expert team to account for an expected increase in exports from compliant zones in the Central African Republic.

52. The plenary noted that the Central African Republic monitoring team had developed a document on terms of reference which was intended to facilitate a forensic audit of the pre- and post-suspension rough diamond stockpiles in Bangui before any part of the current stockpiles was exported, consistent with its responsibility set forth in the operational framework of the 2015 administrative decision on the Central African Republic.

53. In that context, the plenary welcomed the resumption of the development assistance project of the United States of America in the Central African Republic with a view to enhancing the capacity of that country and assisting it with the implementation of the administrative decision and operational framework for the resumption of exports of rough diamonds, and encouraged other participants and observers to consider providing complementary technical assistance.

54. The plenary welcomed the initiative taken by the Central African Republic and its neighbouring Kimberley Process participants (Cameroon, the Congo and the Democratic Republic of the Congo) to ensure cooperation on Kimberley Process Certification Scheme compliance issues with a regional dimension, and encouraged the Central African Republic and the Process monitoring team to continue working closely together with relevant United Nations actors, notably the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic and the Panel of Experts on the Central African Republic, as well as the international community.

55. The plenary took note of further steps taken by the Mano River Union countries (Côte d'Ivoire, Guinea, Liberia and Sierra Leone) to implement the regional approach initiative as highlighted by the Security Council in its resolution 2153 (2014), in which the Council lifted the embargo on the export of rough diamonds from Côte d'Ivoire. The plenary welcomed the continual support to the Mano River Union countries provided by the Working Group on Monitoring technical team and the "Friends of the Mano River Union" group, in particular ongoing efforts to formalize the role of the Mano River Union secretariat and involve other implementing partners and/or technical assistance providers.

56. In that context, the plenary also took note of an update provided by the Property Rights and Artisanal Diamond Development project, co-funded by the United States and the European Union, and a presentation made by the European Union on its ongoing and planned development assistance in support of the Mano River Union regional approach. The plenary encouraged all participants and observers to continue working closely with the Mano River Union countries and continue addressing their technical assistance needs.

57. The plenary noted that the Diamond Development Initiative had briefed members of the Working Group on Monitoring and the Working Group on Artisanal and Alluvial Production on the implementation of its miners' registration programme in the Democratic Republic of the Congo, including on statistics and on findings relevant to the Kimberley Process.

58. The plenary agreed to engage with the Financial Action Task Force by inviting the Kimberley Process working bodies to organize a discussion with the authors of their report related to risks associated with the supply chain of rough diamonds.

59. The plenary noted the completion by the Working Group on Statistics of 37 participant statistical analyses for 2015. There remained 17 analyses to be completed.

60. The plenary noted that the following Kimberley Process participants had incomplete or missing statistical data on the Process rough diamond statistics website:

2015

- Mexico (Q4 certificate count)

2016

- Bangladesh (Q2 trade and certificate count)
- Brazil (H1 production)
- Indonesia (H1 production)
- Mexico (Q2 trade and certificate count)
- Venezuela (Bolivarian Republic of) (H1 production)

61. The plenary noted the request of the Working Group on Statistics that the Committee on Participation and Chairmanship take action consistent with the November 2005 guidelines with respect to the non-submission of statistics. That approach included measures concerning participants who failed to submit their statistical reports consistent with annex III to the Kimberley Process Certification Scheme document.

62. The plenary noted that the Working Group on Statistics had initiated a fourth iteration of the annual data anomaly questionnaire process, which was used to identify anomalies and discrepancies in reported Kimberley Process statistics. The Working Group had developed, reviewed and analysed the questionnaire tables for Process participants identified as having significant anomalies in their reported data. Those participants should receive a questionnaire in the near future based on their anomalies and consistent with the 2012 administrative decision on the data anomaly questionnaire process. The Working Group expected to review the questionnaire process with regard to the feasibility of that tool by the next intersessional meeting.

63. The plenary noted the adoption by the Working Group on Statistics of a template for automated charts and tables that Working Group members intended to use in the preparation of the annual statistical analyses. The automation of the reports was expected to reduce the amount of time that members spent on the

plenary in Johannesburg, South Africa, in 2013. Furthermore, the plenary encouraged the continued application of that administrative decision.

74. The plenary welcomed Australia as the new Chair for 2017. The plenary recalled that host countries should facilitate entry formalities for those attending Kimberley Process Certification Scheme meetings. The plenary acknowledged that State sovereignty should be fully respected.

75. The plenary approved the Democratic Republic of the Congo as the Vice-Chair of the Working Group on Artisanal and Alluvial Production in 2017 and the Chair in 2018.

76. The plenary noted clause 10 of the administrative decision on rules and criteria for selecting candidates for Vice-Chair of the Kimberley Process. The plenary welcomed the European Union as the new Kimberley Process Vice-Chair for 2017 and the Chair in 2018, and India as the incoming Vice-Chair for 2018 and the Chair in 2019.